

May 20, 2002

# AGAR ADVISORY

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF PROCUREMENT AND PROPERTY MANAGEMENT  
PROCUREMENT POLICY DIVISION  
AGAR ADVISORY NO. 47

## USDA Information Technology Acquisition Approval Process

**INTRODUCTION:** The purpose of this Agriculture Acquisition Regulation (AGAR) Advisory is to disseminate information, issued by the Department of Agriculture (USDA) Office of the Chief Information Officer (OCIO), regarding the information technology (IT) acquisition approval process; and to remind acquisition personnel of these requirements.

**SUMMARY:** USDA OCIO memorandum of May 9, 2002 is a reminder that the USDA IT acquisition approval process is still in place; and includes background and applicability information.

### SPECIFIC ISSUES:

- USDA OCIO memorandum of May 9, 2002, copy attached, delineates the OCIO approval requirements for IT acquisitions, and includes a format to be followed when preparing an acquisition approval request.
- The memorandum states that:

“An acquisition approval request must be made if a USDA agency wishes to expend \$250,000 or more for an IT acquisition. ***This also applies to orders against all existing contracts and General Services Administration schedules.*** However, the following activities are exempt from the IT acquisition approval process:

  - The renewal of existing contracts for maintenance and leases, so long as optional enhancements and/or upgrades which exceed the \$250,000 threshold are not involved; and
  - IT acquisitions for organizations other than USDA agencies when funded by USDA grants.

Special activities that require acquisition approval as part of this process include:

- All telecommunication acquisitions (with no dollar threshold) for agencies that have not met

the Telecommunications Network Stabilization and Migration Program requirements. This includes entry of planned telecommunication acquisitions into the Forecast, Inventory and Reporting system; and

- Software or hardware for major systems within the functional areas of the Department's corporate *Administrative and Financial Systems Portfolio*. This will ensure that agency activities are coordinated while enabling agencies to proceed on priorities that are not part of the corporate portfolio. Specifically, the functional areas include:
  - Accounting/Budget Execution;
  - Budget Formulation/Salary Projections;
  - Human Resources;
  - Procurement (Purchase Card and other acquisitions);
  - Property (Personal and Real);
  - Payroll; and
  - Travel.”

Questions regarding these IT acquisition approval requirements should be directed to agency CIOs or the USDA OCIO.

- Departmental Regulation 5039-7, Delegation of Procurement Authority for Information Technology, dated September 18, 1998, paragraph 3, Background, subparagraph d states that:

“Proposed IT acquisitions and information resources activities must comply with all requirements established by the OCIO. OCIO oversight includes both approving IT investments and monitoring and evaluating the performance of these investments. Requirements include: (1) compliance with the Capital Planning and Investment Control Process; (2) compliance with standards of the USDA Information Systems Technology Architectures; (3) obtaining technical approvals in accordance with DR 3130-1; and (4) compliance with requirements of any prevailing OCIO moratoriums or USDA directives.”

The IT acquisition approval requirements delineated in the USDA OCIO May 9, 2002 memorandum are the procedures which superseded the original OCIO IT acquisition moratorium procedures.

If you have questions about this advisory, please contact Pat Honda by telephone at (202) 720-8924, by fax at (202) 720-8972, or by email to [phonda@usda.gov](mailto:phonda@usda.gov). This advisory is available on the USDA homepage at <http://www.usda.gov/procurement/policy/advisories.html>.

**EXPIRATION DATE:** Effective until canceled.

**[END]**



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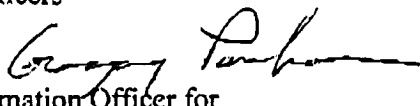
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Department of  
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Office of the Chief  
Information Officer

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TO: Chief Information Officers

FROM: Gregory Parham   
Associate Chief Information Officer for  
Information Resources Management

SUBJECT: USDA Information Technology Acquisition Approval Process

The information technology (IT) acquisition approval process is the mechanism by which the USDA Office of the Chief Information Officer (OCIO) monitors and reviews agency-level IT spending. We use this process to:

- Improve the management of the underlying IT projects;
- Ensure compliance with applicable laws and rules;
- Create an opportunity for information exchange between staff at the department level and at the agency level; and
- Address department-wide redundancies and inefficiencies where possible.

I want to remind everyone that the USDA IT acquisition approval process is still in place and share some information with you regarding the background and applicability of this process.

## BACKGROUND

Public Law 105-86, making appropriations for fiscal year 1998, included the following provision, "None of the funds made available to USDA by this Act may be used to acquire new IT systems or significant upgrades, as determined by OCIO, without the approval of the Chief Information Officer (CIO) and the concurrence of the Executive Information Technology Investment Review Board (EITIRB)." This provision continues today in Public Law 107-76, Sec. 719, making appropriations for fiscal year 2002.

The law establishes the OCIO and the EITIRB as the review and approval authorities for "significant" IT spending requests. In 2000, the USDA EITIRB determined that its ongoing capital planning activities were sufficient to address its responsibilities under this law. Specifically, the EITIRB determined that the inclusion of IT projects in the department's budget and in the Information Technology Investment Portfolio System was sufficient to address its responsibilities under the law. The EITIRB further determined that it would only review IT acquisition approval requests (also known as waivers) under very limited circumstances. Since relatively few projects meet the exceptions, OCIO manages the majority of IT acquisition approval requests for the department.

## IT ACQUISITIONS REQUIRING APPROVAL

An acquisition approval request must be made if a USDA agency wishes to expend \$250,000 or more for an IT acquisition. *This also applies to orders against all existing contracts and General Services Administration schedules.* However, the following activities are exempt from the IT acquisition approval process:

Chief Information Officers

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- The renewal of existing contracts for maintenance and leases, so long as optional enhancements and/or upgrades which exceed the \$250,000 threshold are not involved; and
- IT acquisitions for organizations other than USDA agencies when funded by USDA grants.

Special activities that require acquisition approval as part of this process include:

- All telecommunication acquisitions (with no dollar threshold) for agencies that have not met the Telecommunications Network Stabilization and Migration Program requirements. This includes entry of planned telecommunication acquisitions into the Forecast, Inventory and Reporting system; and
- Software or hardware for major systems within the functional areas of the Department's corporate *Administrative and Financial Systems Portfolio*. This will ensure that agency activities are coordinated while enabling agencies to proceed on priorities that are not part of the corporate portfolio. Specifically, the functional areas include:
  - Accounting/Budget Execution;
  - Budget Formulation/Salary Projections;
  - Human Resources;
  - Procurement (Purchase Card and other acquisitions);
  - Property (Personal and Real);
  - Payroll; and
  - Travel.

In response to agency concerns about the administrative burdens of complying with the approval process, OCIO is continuing discussions about viable alternatives to this process.

For your information, Attachment 1 is a list of the waivers received by our office this year. Please review this list and ensure that all activity underway in your agency is appropriately covered by approval from the CIO. Attachment 2 is the format to follow for preparing an acquisition approval request.

I would like to take this opportunity to express my appreciation for your ongoing efforts as we continue to improve management of IT at USDA. Please call me at 720-5865, or have your staff contact Marilyn Holland at 720-6275, if you have questions or concerns regarding the IT acquisition approval process or this memorandum.

Attachments

cc: IT Major Investment Project Managers  
Deputy Administrators for Management

Attachment 1 to OCIO Memorandum of May 9, 2002 is not included with AGAR Advisory No. 47

ATTACHMENT 2

**INFORMATION TECHNOLOGY ACQUISITION APPROVAL REQUEST**

**FROM:**        *Agency Head*  
                 *Staff Office Director*

**JUSTIFICATION FOR ACQUISITION:**

*Provide a justification and address the consequences if the acquisition is not approved.*

**DESCRIPTION OF ACQUISITION:**

*For all requests include:*

*Security analysis/requirements and security costs.*

*For Hardware or Software requests include:*

*Technical description of hardware and software*

*List of cost, quantity, type, and manufacturer name and model, if available*

*City and State of office where items will be located*

*Statement that items will conform to USDA architecture*

*For Support Services or Services requests, attach:*

*List of technical and business requirements*

*Statement of Work, if available*

*Start and completion dates*

**BUDGET INFORMATION:**

*Dollar amount of acquisition broken out by Fiscal Year and Information Technology category: Hardware, Software, Support Services, & Services*

*Information Technology Investment Portfolio (I-TIPS) entries for Life Cycle Costs.*

**AGENCY CONTACT:**

*Name, telephone number, and e-mail address of agency point of contact*

**DECISION BY THE CHIEF INFORMATION OFFICER:**

Approve: \_\_\_\_\_

Disapprove: \_\_\_\_\_

Discuss with me: \_\_\_\_\_

Date: \_\_\_\_\_